

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 06-02

ISSUE DATE: February 27, 2006

DISPOSAL DATE: ONGOING

RE: FoodShare/Medicaid Second Party
Review Process

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

From: Mark B. Moody
Administrator
Division of Health Care Financing

PURPOSE

The purpose of this memo is to define the requirements associated with the FoodShare/Medicaid (FS/MA) Second party review process.

Second Party Reviews - Background

In order to improve payment accuracy in the FoodShare (FS) Program the Department included a requirement to complete FS second party reviews in the Calendar Year 2005 IM Appendix AL to the State-County Contract Covering Social Services and Community Programs, and Appendix A to the 2003-2005 State and Tribe Contract. The reviews concentrated on FS applications and re-certifications and focused on high error rate elements – i.e. wages and salary, shelter and utilities, and household composition. Each month a case sample was produced for all local agencies which included applications and/or re-certifications from the previous month for households greater than two and benefit issuance greater than \$100.

The required number of reviews was equal to two cases per worker per month. The manner in which the local agency met this requirement offered some flexibility in order to allow for agency discretion. For example, if an agency had four workers and two of them were new workers, they could meet their monthly requirement of eight case reviews by reviewing only cases from the new workers or reviewing more from the new workers and fewer from the other staff.

The web-based Income Maintenance Quality Assurance (IMQA) system (formerly known as "FSQA or NewMan") has been used successfully for the FS second party review process. IMQA functions included selecting cases for review, entering review findings, monitoring individual workers, and providing the state the ability to more efficiently monitor performance compliance.

New process to be implemented in 2006

While some agencies have been conducting ad hoc Medicaid (MA) second party reviews, Management Evaluation Reviews of local agencies found that MA case reviews were not being completed by most agencies. Input from the Income Maintenance Advisory Committee (IMAC), the Medicaid Eligibility Quality Control (MEQC) project and the Legislative Audit Bureau (LAB) has resulted in the decision to implement a uniform method for agencies across the state to complete FS and MA second party reviews. In order to effectively address benefit accuracy in MA via case review, the Biennial Budget for 05-07 provides for additional resources (\$630,000 annually statewide) to complete MA reviews at the local level. These funds have been included in each IM agency's base 2006 IM allocation (see Administrator's Memo 05-10). We are projecting benefit savings of close to \$6 million as a result of this effort.

Contract Requirement

In order to meet performance compliance as defined by the Department, the IM agency will be required to complete 100% of their required number of FS and MA second party reviews. If the IM agency does not complete 100% of their requirement the Department may implement the Corrective Action provisions as set forth in the IM contract, Section XX of Appendix AL.

Sample/Review Requirements

Local agencies will be required to conduct second party reviews according to the following criteria:

1. Case reviews will be completed on .9% of the agency's caseload in the following proportion based on agency caseloads in September 2005:
 - 2/3 will be FS only or FS/MA cases
 - 1/3 will be cases open only for MA (not open for any other program)
2. Small agencies (500 cases or less) must review a minimum of two cases per month, one FS/MA case and one MA only case, noted on the attached spreadsheet.
3. The number of reviews required by each agency is attached.
4. In the near future local agencies will also have the ability to manually enter cases that are considered problematic, e.g. fair hearings, client complaints, etc. IM agencies will be officially notified via an IMQA Manual update when this enhancement is implemented.

Note: Because the programming work to allow for this option will not be done until March or April, the required number of reviews is reduced temporarily from .9% to .5% of the agency's caseload until this functionality is implemented.

5. The FS/MA case sample selection criteria will remain the same as the 2005 FS Second party review criteria; applications and re-certifications with a household size of greater than two and benefit issuance greater than \$100.
6. The FS sample will include both FS only or FS/MA cases as long as the case meets the criteria stated above. Since the number of FS/MA cases (77%) is so much greater than the number of FS only cases (23%), a majority of the FS sample will be open for both programs.

7. If an agency does not have a sufficient number of applications or recertifications that fit the specified criteria to meet their requirement, an additional sample pull will automatically be run eliminating the criteria of a household greater than two and benefit issuance greater than \$100.
8. The MA only case selection criteria will focus on recertifications only. If an agency does not have a sufficient number of cases in recertification status from the previous month an additional sample pull will automatically be run selecting ongoing MA only cases.
9. The MA only sample will be structured so that it is proportionally equivalent to the percentage of case types in the agency's MA caseload. For the purposes of the sample, MA cases are broken down into the following six categories: BC, AFDC and AFDC-Related, EBD, HS, Institutions and Community Waivers. For example, if an agency has an MA caseload consisting of 20 percent BC, 25 percent HS, 35 percent EBD and 20 percent Institutions then the second party review MA only sample will reflect these percentages. Agencies will receive their sample broken down in this way. To make the best use of the second party review process, we recommend that agencies select a variety of cases from these categories during the year.
10. The case review sample will be produced on the first Saturday of every month and available to use the following Monday. Agencies will have until the end of the following month to complete the required number of reviews. A case that is found in error is considered complete when the case is corrected. Although it is expected as a normal course of business that a claim will be established when warranted, this action does not need to be completed within the time period mentioned above.

Sample Production Date	Date Sample is Available	Completion Date
March 4 th	March 6 th	April 30 th
April 1 st	April 3 rd	May 31 st
May 6 th	May 8 th	June 30 th
June 3 rd	June 5 th	July 31 st
July 1 st	July 3 rd	August 31 st
August 5 th	August 7 th	September 30 th
September 2 nd	September 5 th	November 30 th
November 4 th	November 6 th	December 31 st
December 2 nd	December 4 th	January 31, 2007

Review Process

A new web-based IMQA Second party review process will streamline reviews for both FS and MA. As with FS second party reviews, the new review process will continue to target error-prone areas for both programs. CARES data from the sample cases, and from the agency-selected cases in March or April, will automatically populate many of the fields in the review instrument and allow for focused, time-efficient reviews. The review instrument will be designed so that the reviewer is directed to only those pages that are relevant for the type of case being reviewed. For example, the asset information page will not appear for the review of a FS only case.

Second party reviews must be completed in the allotted time frame. The Department will monitor compliance on a monthly basis.

Implementation Timeline

1. The Wisconsin Second Party Review Operations Memo 06-05 will be published in March 8th with program information.
2. The IMQA Second Party Review Manual will be published March 8th. The manual will be available on the web at <http://www.dhfs.state.wi.us/em/>. Users of this manual should go to <http://dhfs.wisconsin.gov/em/policy-notification/signup.htm> to sign up to receive notifications when this manual is updated.
3. Second party review implementation is scheduled for March 8, 2006.
4. The month of March will be used by local agencies to become familiar with and begin to use the new process.
5. Agency monitoring will begin April 5, 2006.

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Attachment
.9% and .5% Requirement for Agencies

Agency	MA only cases	FS cases	Total FS and MA caseload	.9% of FS and MA caseload (# of reviews per month)	.5% of FS and MA caseload (# of reviews per month)
Adams	1,132	669	1,801	16	9
Ashland	1,029	666	1,695	15	8
Bad River	104	120	224	2	2
Barron	2,647	1,444	4,091	37	20
Bayfield	867	232	1,099	10	5
Brown	6,915	4,791	11,706	105	59
Buffalo	673	259	932	8	5
Burnett	860	412	1,272	11	6
Calumet	1,086	387	1,473	13	7
Chippewa	2,588	1,328	3,916	35	20
Clark	1,798	408	2,206	20	11
Columbia	1,720	823	2,543	23	13
Crawford	961	339	1,300	12	7
Dane	8,693	8,103	16,796	151	84
Dodge	2,702	1,343	4,045	36	20
Door	1,040	446	1,486	13	7
Douglas	2,113	1,394	3,507	32	18
Dunn	1,552	843	2,395	22	12
EauClaire	3,439	2,316	5,755	52	29
Florence	299	136	435	4	2
Fond du Lac	3,915	1,560	5,475	49	27
Forest	545	207	752	7	4
Grant	2,136	649	2,785	25	14
Green	1,347	558	1,905	17	10
Green Lake	814	294	1,108	10	6
Iowa	841	360	1,201	11	6
Iron	468	126	594	5	3
Jackson	1,089	426	1,515	14	8
Jefferson	2,883	1,032	3,915	35	20
Juneau	1,440	487	1,927	17	10
Kenosha	5,244	5,404	10,648	96	53
Kewaunee	762	230	992	9	5
Lac du Flambeau	228	238	466	4	2
LaCrosse	4,423	2,541	6,964	63	35
Lafayette	673	207	880	8	4
Langlade	1,167	694	1,861	17	9
Lincoln	1,244	566	1,810	16	9
Manitowoc	3,152	1,150	4,302	39	22
Marathon	4,375	2,243	6,618	60	33
Marinette	2,187	993	3,180	29	16
Marquette	693	373	1,066	10	5
Menominee	316	206	522	5	3

Agency	MA only cases	FS cases	Total FS and MA caseload	.9% of FS and MA caseload (# of reviews per month)	.5% of FS and MA caseload (# of reviews per month)
Milwaukee	36,541	57,709	94,250	848	471
Monroe	1,870	769	2,639	24	13
Oconto	1,354	631	1,985	18	10
Oneida	1,817	889	2,706	24	14
Oneida Tribe	381	279	660	6	3
Outagamie	4,379	1,843	6,222	56	31
Ozaukee	1,320	581	1,901	17	10
Pepin	358	123	481	4	2
Pierce	1,032	359	1,391	13	7
Polk	2,048	574	2,622	24	13
Portage	2,437	1,309	3,746	34	19
Potawatami	121	8	129	2	2
Price	1,033	487	1,520	14	8
Racine	6,178	5,185	11,363	102	57
Red Cliff	117	112	229	2	2
Richland	958	436	1,394	13	7
Rock	5,473	4,838	10,311	93	52
Rusk	994	410	1,404	13	7
Sauk	2,265	945	3,210	29	16
Sawyer	1,192	514	1,706	15	9
Shawano	1,830	616	2,446	22	12
Sheboygan	3,650	1,796	5,446	49	27
Sokaogon	60	70	130	2	2
St. Croix	1,955	540	2,495	22	12
Stockbridge-Munsee	74	27	101	2	2
Taylor	1,110	379	1,489	13	7
Trempealeau	1,274	516	1,790	16	9
Vernon	1,423	488	1,911	17	10
Vilas	749	289	1,038	9	5
Walworth	3,387	1,585	4,972	45	25
Washburn	1,174	396	1,570	14	8
Washington	2,622	1,421	4,043	36	20
Waukesha	5,895	2,418	8,313	75	42
Waupaca	2,851	755	3,606	32	18
Waushara	951	543	1,494	13	7
Winnebago	4,862	2,652	7,514	68	38
Wood	3,098	1,962	5,060	46	25
Totals	190,993	141,457	332,450	2,992	1,662

Caseload data from the Automated Caseload Directory as of 9/12/05